



INSPECTOR GENERAL

U.S. Department of Defense



INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

PRESENTED BY: LT COL TONY GONZALEZ

CONTRACTING IN A WAR ZONE

CONTRACTING IN A WAR ZONE

- Deployment Experiences
- Contracting Issues and Trends
 - Oversight and Requirements Documentation
- Examples of Investigations by Contracting Areas
- Lessons Learned



AL HILLAH, IRAQ (BABIL PROVINCE) – SEP '06

- Contracting Chief
- Co-located with DoS: contract support to the PRTs, Civil Affairs and 5 provinces in Iraq
- Reconstruction projects
- Closeouts / office closure



AL HILLAH, IRAQ (BABIL PROVINCE) – SEP '06

○ Reconstruction projects



IRAQ-BABIL-HILLA STREET 40 TEL: Local 253 114, Mobile 078 0100 2793		AL HILLAH, IRAQ APO, AE 09332			
TELEPHONE NO.					
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER		<input type="checkbox"/> 18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM			
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
0001	PROVIDE NEW ROOF FOR EZEKIAL'S TOMB IN KILFIL ALL WORK/DELIVERIES TO BE COMPLETED NO LATER THAN 30 JUNE 2004	1	LT	\$259,900.00	\$259900.00
(Use Reverse and/or Attach Additional Sheets as Necessary)					
25. ACCOUNTING AND APPROPRIATION DATA DEVELOPMENT FUND FOR IRAQ - LOCAL GOVERNANCE FUND				26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$259,900.00	
<input type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA				ARE	<input checked="" type="checkbox"/> ARE NOT ATTACHED
<input type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA				ARE	<input checked="" type="checkbox"/> ARE NOT ATTACHED
<input checked="" type="checkbox"/> 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.		1	<input checked="" type="checkbox"/> 29. AWARD OF CONTRACT: REF. AL-RAYAM CO. OFFER DATED 05/25/2004. YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:		
30a. SIGNATURE OF OFFEROR/CONTRACTOR		31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)			
30b. NAME AND TITLE OF SIGNER (Type or print)	30c. DATE SIGNED	31b. NAME OF CONTRACTING OFFICER (Type or print)		31c. DATE SIGNED	
	06/01/2004	GEOFFRY A. LOHSL		06/01/2004	

AUTHORIZED FOR LOCAL REPRODUCTION
PREVIOUS EDITION IS NOT USABLE

STANDARD FORM 1449 (REV. 4/2002)
Prescribed by GSA - FAR (48 CFR) 53.212



POLICY ACADEMY CONSTRUCTION SITE VISIT



BAGHDAD, IRAQ – OCT '06

- Development Fund for Iraq (DFI) Post Kinetic Proj Mgr
- Advised JCC-I/A CG on \$150M DFI Program
- Led CF, Provincial & Central Iraq Government officials in the contracting process
- Consulted Iraq ministries on awarding contracts
- Ministerial bank accounts for transfer of funds from MoF
- 230 Reconstruction projects awarded
 - Result: new roads, schools, hospitals, water plants, government buildings & electricity



ETHICS – RECEIPT OF GIFTS

- Contractor from Al Hillah
- He had contacted me prior to his visit
 - Complained of working conditions
 - Asked if I (as a contracting official) could find him work
- Actually drove to IZ to meet with me and a former contracting officer he knew at Al Hillah
- He gifted me a child's toy, a picture frame and a local cell phone



ETHICS – RECEIPT OF GIFTS

- Employees shall not solicit or accept a gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties – 5 C.F.R. § 2635.101(b)(4).
- FAR 3.204 – Treatment of Violations
 - Offered a gift...and intended to obtain favorable treatment
- Contacted Legal, wrote a memo and left the gift

KOs/CORs must never solicit gifts of any type, regardless of their nature or dollar value.



FORMER CONTRACTING OFFICIAL SENTENCED TO 30 MONTHS FOR BRIBERY IN IRAQ – AUG '04

- Mr. Addas pled guilty to charges of bribery and tax evasion and sentenced to 30 months while at the Joint Contracting Command Iraq/Afghanistan in the U.S. Embassy, Baghdad
- CEO & owner based in Jordan offered \$1M in return for assistance in obtaining U.S. Gov't contracts for major electrical construction projects in Iraq
- Mr. Addas received bribes and subsequently assisted with the contractor's companies who received at least 15 contracts valued at \$28M
- Mr. Addas didn't declare any of this income on his filed federal tax returns...he was prosecuted in VA



DoJ, Yuma News, 9 Jan 16



LEADERSHIP PHILOSOPHY

KO Expectations:

- Understand your customer's requirements
- Determine the appropriate contract type
- Know your contractor base
- Business advisor
- Never say no but provide solutions to get what the customer needs...legally



COR Expectations:

- Involve the KO early, communication is key!
- **Clear & Concise written requirements are critical**
- Understand your market, your KO can help
- Understand your KO is making decisions in the best interest of the unit & USG



RCC CHIEF'S CONFERENCE – OCT 2011

RC-East Commander's Sight Picture:

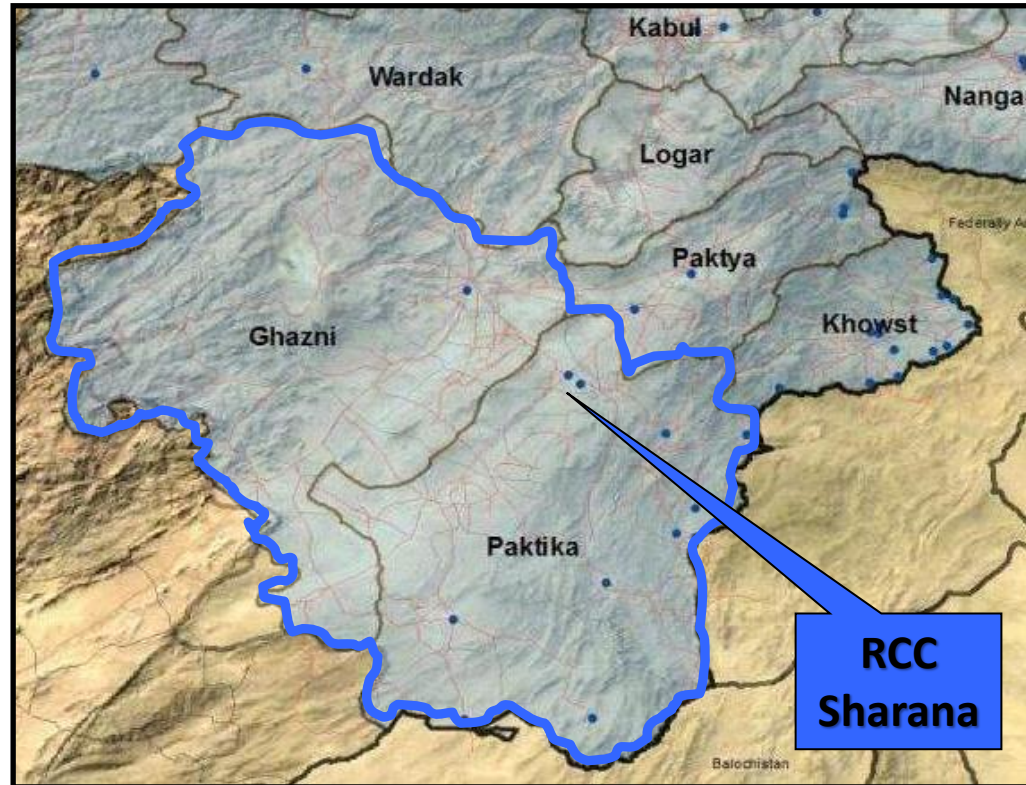
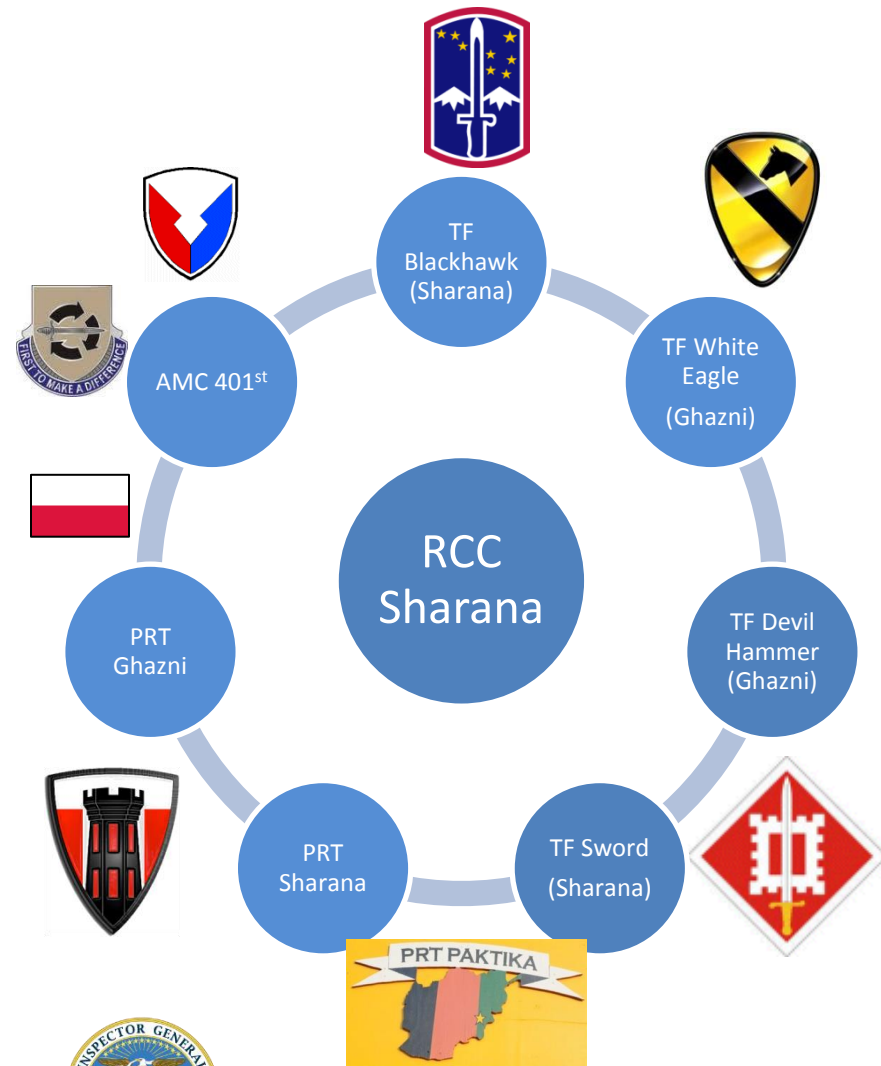
- CORs are critical for successful and complete projects
- Are they educated?
- Are they reporting back to you on progress?
- Most contracts did not have QASPs

Legal:

- Check EPLS, Vendor Vetting
- Concern over high use of BPAs due to no surveillance or controls...reported OSI cases of fraud



Regional Contracting Center Sharana

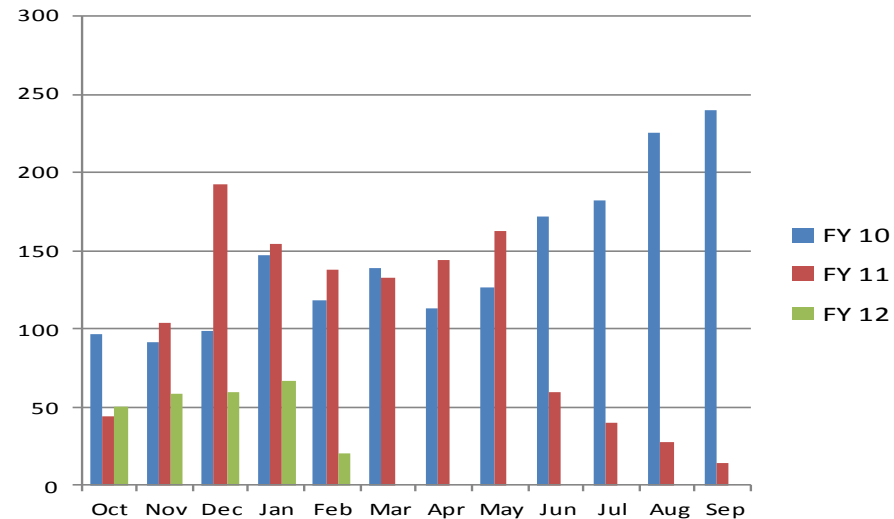
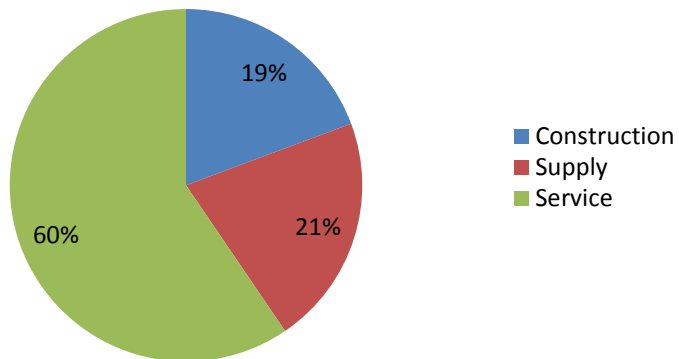


RCC Sharana Supports 59 U.S., Polish and ANA/ANP operating locations in Paktika/Ghazni Provinces

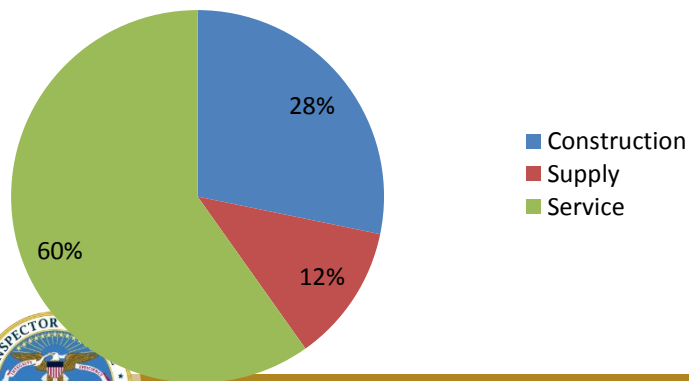
RCC Sharana

FY 12 Workload Analysis

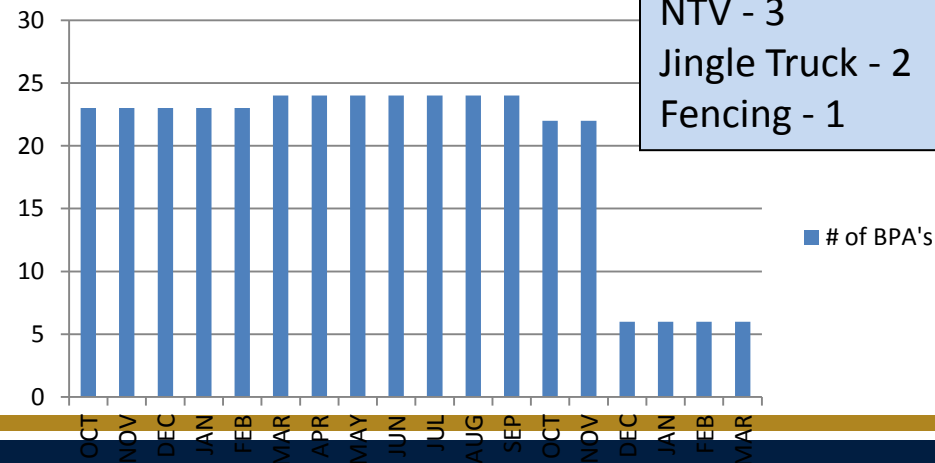
Sharana Actions FY 12



Sharana Obligations FY 12



of BPA's



Type of BPAs

NTV - 3
Jingle Truck - 2
Fencing - 1



RCC Sharana

Top Challenges

- Incomplete Requirements Packages
- Lack of COR Oversight
- FOO Program (unauthorized purchases)
- Commodities – Delivery Delays
 - Security, Weather, Timeliness



PROBLEMS FROM 112 PREVIOUS DoDIG REPORTS

Table 1. Top Five Systemic Contracting Problem Areas

Rank of Systemic Contracting Problem Area	Systemic Contracting Problem Area	Number of Reports Discussed in Report No. D-2010-059	Number of Reports Discussed in Report No. DODIG-2012-134	Number of Reports Discussed in Report No. DODIG-2015-101	Total Reports
1	Oversight and Surveillance	24	24	27	75
2	Property Accountability	17	8	9	34
3	Requirements	12	9	12	33
4	Financial Management	10	14	7	31
5	Contract Documentation	19	5	5	29

Report # D-2010-059 (34 reports); Report # DODIG-2012-134 (38 reports); Report # DODIG-2015-101 (40 reports)

DODIG-2015-101 “Contingency Contracting”, p. 4-6



UNCLEAR WRITTEN REQUIREMENTS

- Mattresses
- Bed frames



Worst mattress ever. It felt like I was sleeping on a hill.



RPAT YARD

- Redistribution Property Assistance Teams
 - Eliminate excess property, redistribute equipment to fill shortages, & retrograde excess equipment back to U.S.
- Bagram AB RPAT didn't accurately record 37% of equipment valued at \$157.4M
 - Improper oversight to ensure adequate transfer of property
 - Insufficient unit resources to RPATs
 - No contractor accountability
 - No effective controls



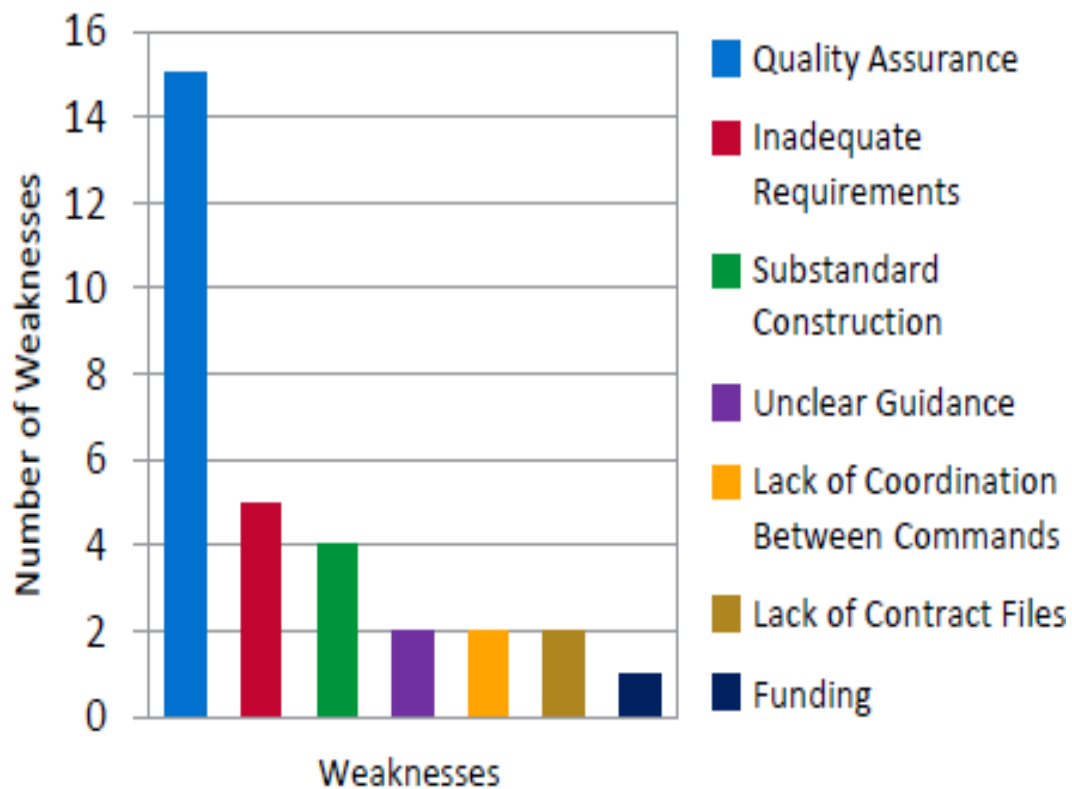
RPAT YARD

- Unclear PWS led to discrepancies between the unit, PCO, and DCMA
- PWS required the contractor maintain accountability and perform inventories
- The PCO and unit stated the contractor was only responsible for accurate & timely accountability
- QASP wasn't updated to reflect PWS
- No COR monthly reports



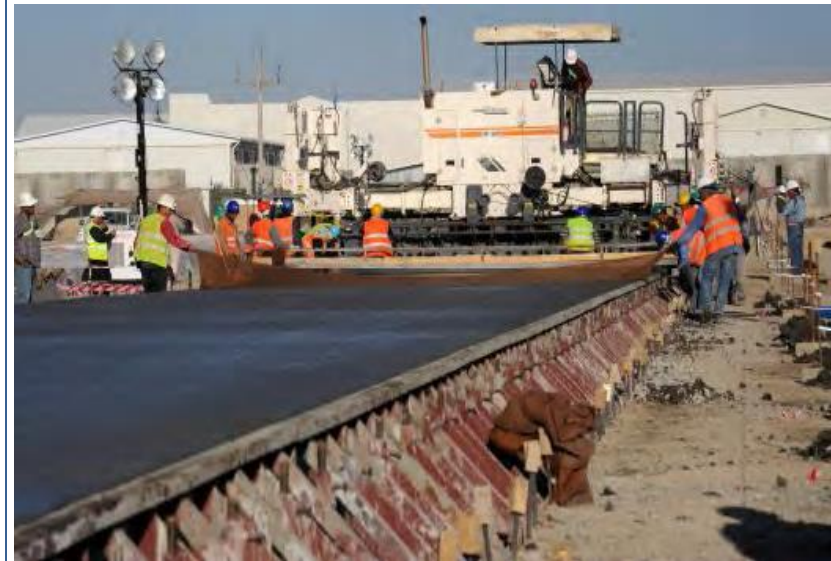
CONTINGENCY MILCON: SUMMARY OF WEAKNESSES

Figure 1. Military Construction Weaknesses Reported by DoD From January 1, 2008, Through March 31, 2014



Source: 9 DoDIG & 2 AFAA reports

- Afghan & Iraq contracts valued at \$738M
 - QA & Contract Oversight cited 15 times in 7 reports

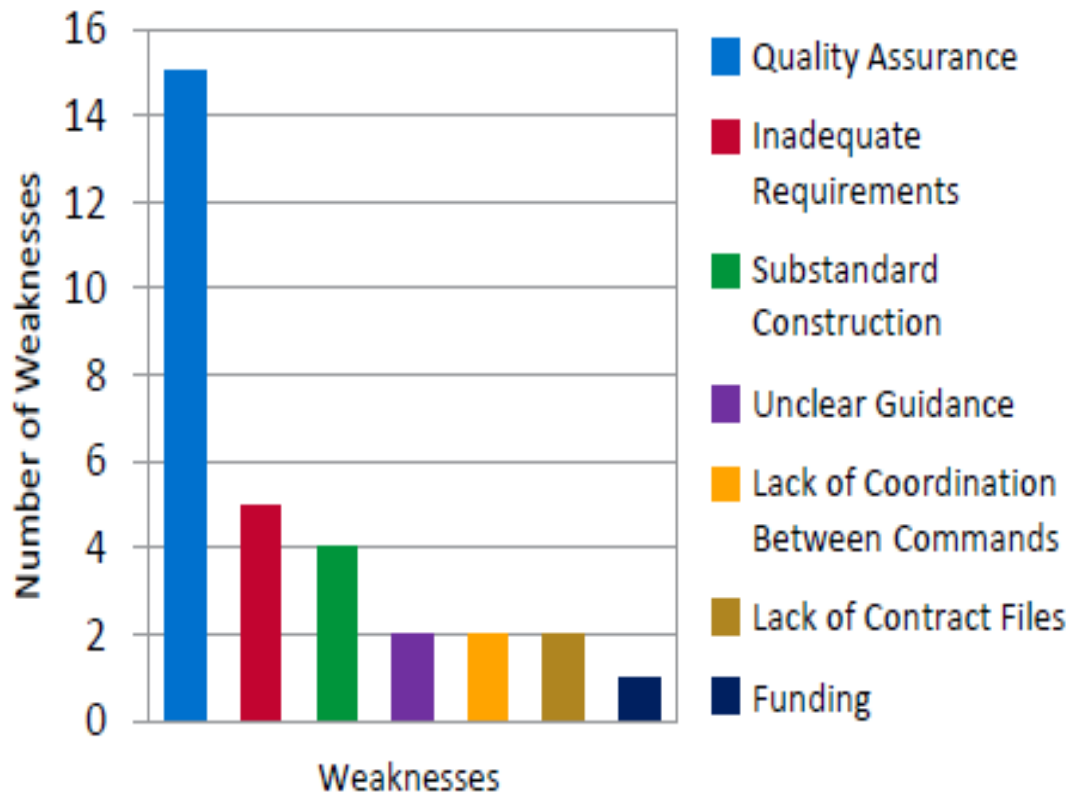


DODIG-2015-059, p. i, 3



CONTINGENCY MILCON: SUMMARY OF WEAKNESSES

Figure 1. Military Construction Weaknesses Reported by DoD From January 1, 2008, Through March 31, 2014



Source: 9 DoDIG & 2 AFAA reports

Causes for QA weaknesses:

- Reliance on contractor's technical expertise to manage MILCON projects
- Lack of QA documentation
- Inadequate Government resources
- Not holding contractors accountable for unsatisfactory performance
- Inadequate requirements
- Acceptance of substandard construction

DODIG-2015-059, p. i, 3



COR OVERSIGHT ISSUES

- Security for oversight on austere locations
- COR duties were considered additional duties vs. their primary duty
 - Sometimes it was all that a unit had available
- Complex contracts required more technically skilled CORs
- Appointed personnel did not have their CBTs (Phase I) accomplished
 - Created issues for new and existing contracts
 - Encouraged units to appoint CORs with CBTs completed for a smoother Phase II training



WEEKLY COR & FOO TRAINING



- Phase II Training



COR OVERSIGHT ISSUES

- Remote locations
 - Winter & security made it difficult for site visits
 - Austere locations
- Managing expectations



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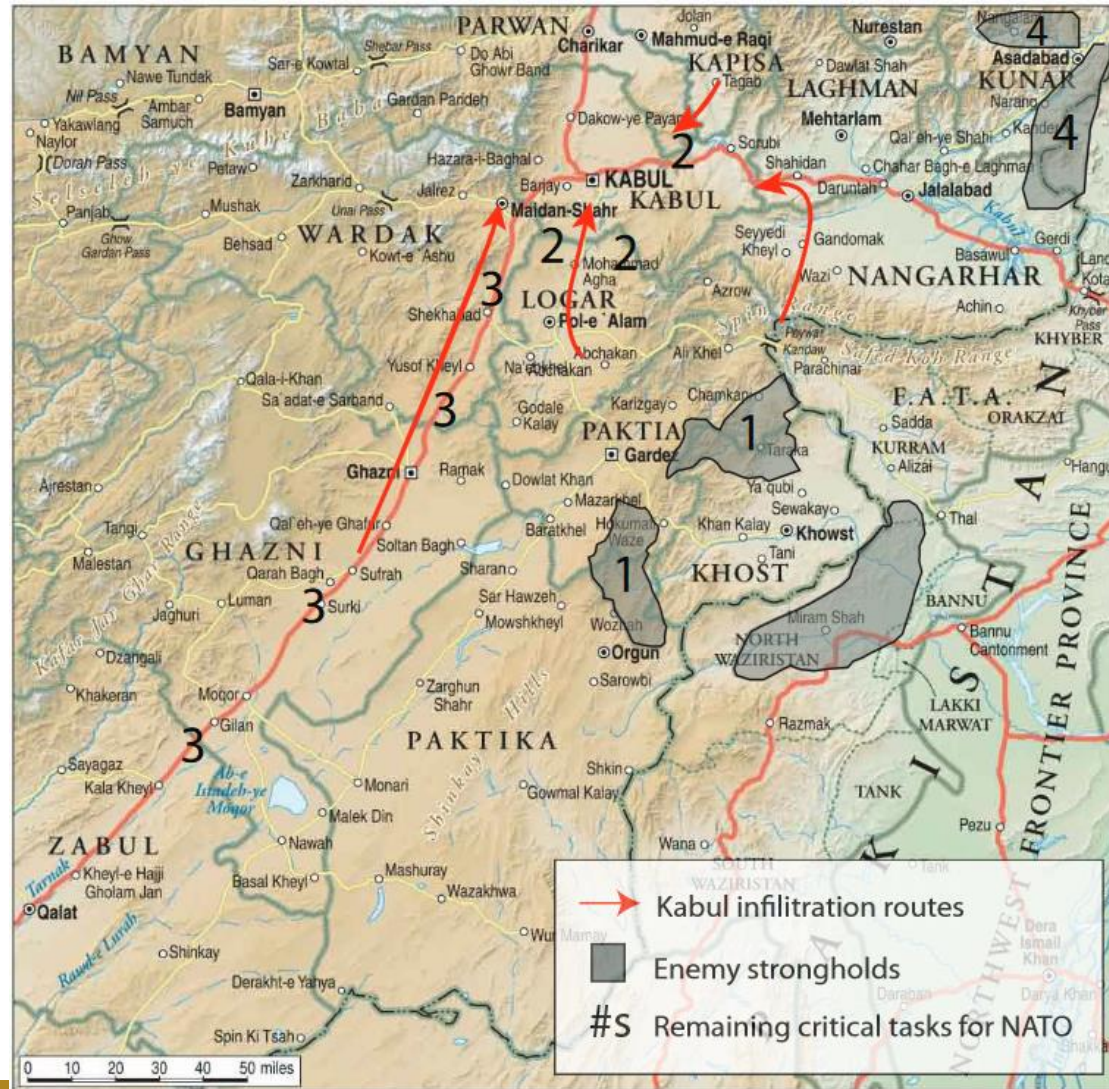
2012 Spring Fighting Season

- Capabilities Briefing with TF White Eagle at FOB Ghazni
- Identified Force Requirements for Upcoming Fighting Season
 - Basic Life Support
 - Latrine-Shower-Shave (LSS)
 - Construction projects
 - Service & commodities contracts
- Prepared for Troop Surge at various FOBs and COPs
- Clear Ghazni province of Taliban influence because it contained major roads to Kabul & insurgent supply routes into Pakistan
- Conducted COR training for Polish Army



IN SUPPORT OF FIGHTING SEASON

- Discussed & articulated our role and mission
- Redeploying KOs
 - Stressed importance of their role even if they thought small buys like gravel were insignificant, it played a major role in the surge



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Generators

- Reports of generators failing at one FOB
- Calls from BTN Commander...nothing in writing
- COR reported no problems
- Investigated and found access to generators were locked
- Possible tampering by units
- Advised COR to document issues
- Needed documentation from COR



GAO REPORT: AFGHANISTAN KEY OVERSIGHT ISSUES

- During Iraq drawdown, DoD faced challenges with contractor demobilization, determining requirements & identifying risks with potential changes in contracting vehicles
 - Increase role of contractors as we drawdown
 - Need increased focus on oversight to help mitigate risk of fraud, waste and abuse
- Inadequate training & lack of oversight personnel
- DoD, DoS and USAID oversight challenges and reporting reliable information on their contracts



GAO-13-218SP, p. 31, Feb '13

LESSONS LEARNED

- Managing expectations
- Early involvement
 - Communication & dialogue
- Understand the requirement & mitigate limiting factors
- Document, document, document
- Get to YES but be creative, don't say NO to customer
 - What's the desired outcome?
- Mentor: "Never count the days, make the days count"



BRINGING IT HOME

- The best part of deployments was knowing the impact you make, the people you meet and learn from but most of all it's the homecoming



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QUESTIONS?

